

# Exhibit 12

**Attachments:** [NexPoint Strategic Opportunities Fund Formerly Highland Credit Strategies Fund Managed by Highland Capital SEC Report 07\\_30\\_21.pdf](#)  
[NexPoint Strategic Opportunities Fund NHF Dugaboy Dondero SEC FORM 4 06\\_22\\_21.pdf](#)  
[NexPoint Residential Trust NXRT Dugaboy SEC FORM 4 05\\_11\\_21pdf.pdf](#)  
[NexPoint Strategic Opportunities Fund NHF James and Nancy Dondero Dugaboy Trust SC 13DA 01\\_08\\_21.pdf](#)  
[NexPoint Credit Strategies Fund Managed by Highland Capital prior to Novation Dondero Comp SEC FORM 4 06\\_24\\_21.pdf](#)  
[Highland Capital Pyxis Novation to NexPoint from Highland Capital Nexpoint Credit Strategies Fund2 06\\_08\\_12.pdf](#)  
[Highland Capital Lifeboats Explains Falcon E&P PetroCap 2011pdf.pdf](#)  
[Tunstall Dondero attempt to include in Daugherty Compensation 2011.pdf](#)  
[Nexpoint Advisors Adv Dugaboy Novation 2012\\_03\\_31\\_21.pdf](#)  
[Highland Capital Management Fund Advisors Adv Moved from Highland 2011\\_03\\_31\\_21.pdf](#)  
[Tunstall Capital Management Adv Highland Capital Management Services Dondero Okada Surgent 12\\_01\\_14.pdf](#)  
[Sentinel Nexpoint RE 08\\_11\\_17.pdf](#)  
[NexPoint Real Estate Fund Jan Neveril Maples SC 13D A 06\\_25\\_19.pdf](#)  
[Falcon E&P Adv Highland Capital Management Services Inc PetroCap Dondero Okada Britain 03\\_30\\_21.pdf](#)  
[Falcon E&P ADV PetroCap Highland Capital Management Services Inc 03\\_30\\_18.pdf](#)  
[Highland Capital Management Services Inc SEC Form 4 Governance Re Thread 55 Dondero Okada 09\\_25\\_14.pdf](#)  
[Governance Re Highland Capital Management Services Dondero Okada Ownership Family Tree.pdf](#)  
[Governance Ltd 40878 Government of Bermuda.pdf](#)

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**From:** Patrick Daugherty <pdaugherty@glacierlakecap.com>  
**Sent:** Friday, August 20, 2021 4:31 PM  
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**Cc:** James Seery <jpseeryjr@gmail.com>  
**Subject:** Highland History - Part 2 Okada and Highland Capital Management Services, Inc?

Recall the discussion in my 2012 Answer where I explained the creation of Acis, Tunstall, Pyxis (now NexPoint Advisors and Highland Capital Management Fund Advisors), Falcon E&P (and PetroCap), Granite Bay and others as "brands" or "lifeboats" to divert certain Debtor (Highland Capital Management, LP) divisions and their management fee contracts to "bankruptcy remote" entities because of the mounting litigation and threats of litigation against the Debtor. Below is a discussion of Highland Capital Management Services Inc (aka Highland Services) that is 75% owned by Dondero and 12% owned by Okada. This entity also is the ultimate owner of Governance Re that is associated with the Sentinel Re transactions and recent D&O provider to former executives of the Debtor.

**Patrick H Daugherty, Esq.**  
President and Chief Investment Officer

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**From:** Patrick Daugherty <pdaugherty@glacierlakecap.com>  
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**Subject:** Re: Rule 2004 Brief - Where is Okada and Highland Capital Management Services, Inc?

Thanks for the explanation. Highland Capital Management Services Inc (owned 75% by Dondero and 25% by Okada) was a central entity in the asset diversion of Highland's assets that began after the UBS litigation commenced in January 2009. This entity was part of the "life-boat" strategy used to divert Highland's businesses and is listed as the owner of:

- Highland Capital Management Fund Advisors - 2011 (previously named Pyxis)
- Falcon E & P - 2010 (co-owned with Petro Cap that the Debtor has scheduled for settlement approval)

- Tunstall Capital Management - 2010 (an entity Dondero attempted to form with me that skimmed fees from Crusader and CreditStrat after the "gates went up" and without their permission - I declined to participate but you can see some of the dialogue)
- Governance Re also played a roll in related transactions (See Burmuda Directors including Dondero and Waterhouse. also see Safety-kleen S-1 in subsequent email)

NexPoint Advisors was created by Dondero out of nothing in early 2012 to skim part of the retail funds managed by Highland and reallocate the valuable management contracts for no value. This was accomplished through a "Novation" filing. Nexpoint Advisors then renamed the fund that was taken from Highland Capital to "NexPoint Credit Strategies Fund (NHF)". NexPoint then directed NHF to invest in over 60 multifamily apartment buildings and then subsequently spun it out as "NexPoint Residential Trust (NXRT)". This created another fund for NexPoint Advisors to charge management fees as well as serving as an additional vehicle in tandem with NHF to compensate high level employees like Dondero, Dustin Norris, Matt McGraner, Frank Waterhouse, and David Post (see Form 4s attached. Consequently, Dondero has accumulated over \$130 million of value for himself, the Dugboy Trusts, and the Charitable DAF entities. Interestingly, NexPoint funds were also involved in the Sentinel transfers (NexPoint Real Estate Strategies Fund - 13D).

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**Subject:** RE: Rule 2004 Brief - Where is Okada and Highland Capital Management Services, Inc?

Pat,

Okada and the trusts are proposed 2004 discovery recipients but didn't get contacted for the conferences because they didn't have counsel of record. HCSI is on a list for consideration for a possible follow-on motion along with some others. There are approximately 150 entities that are proposed in the 2004 at this time. We are also asking about HCSI in a variety of the requests attached to the 2004 request itself. If you have any other entities/people you think we should consider as you review the motion, please let us know.

Best,

Paige

**From:** Patrick Daugherty <pdaugherty@glacierlakecap.com>  
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**Subject:** Rule 2004 Brief - Where is Okada and Highland Capital Management Services, Inc?

I saw the excess pages request for the Rule 2004 Brief but am concerned that Mark Okada, his affiliated trusts, and Highland Capital Services Inc (which owns Governance Re, Highland Capital Management Fund Advisors, and other relevant entities) was not on the Rule 2004 Recipients list. I believe they should be included as we track the transfer of assets to evade creditors.

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